

OGC Has Reviewed

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OLC 77-2553

22 June 1977

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Senate Governmental Affairs
Committee Staffers Concerning S. 555

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1. On 21 June 1977, [] and I met with David Schaefer and John Childers, on the staff of the Senate Governmental Affairs Committee, to discuss S. 555. The bill would require non-undercover personnel in grades GS-16-18 to file financial disclosure statements which would be made available to the public.

2. I indicated that this portion of the bill would create problems for several reasons. They are:

a. Lists of Agency personnel, such as the phone book, and outlines of the Agency structure are classified information. Releasing the financial disclosure reports to the public, in effect, discloses classified information.

b. Availability of financial records eases the task of identifying possible targets by those who wish to infiltrate the Agency. We indicated that we have no knowledge of an Agency employee being recruited, and this is partially a result of the precautions which are taken. It would be dangerous practice to ease the task of those trying to recruit Agency personnel.

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3. Schaefer expressed the view that the boundaries of the financial disclosure provisions are a matter of balancing. We responded that these are concerns that should be part of the balancing which they may not have considered. Schaefer also stated that as a matter of interpretation he felt this law would take precedence [] Schaefer then asked if the same arguments about subverting employees could apply to any Government agency. We responded that intelligence agencies are in a unique position because of the data they handle and because we are certain they are the target of foreign intelligence organizations.

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4. Childers asked what other intelligence agencies may have the same problem. We mentioned DIA and NSA, which are singled out in the bill. He then raised the question of persons paid at the Executive Schedule level, who are required to file public reports by other sections. He also asked for the number of these positions. We indicated that our objections may not be as strong in this case, and that there are probably no more than ten such positions.

5. The bill is currently scheduled to come to the floor immediately following the July 4th recess, and we indicated we would be in touch with them next week. Childers raised the following questions which should be answered before we meet:

a. Would the Agency object to a review of the disclosure statements by members of the Office of Government Ethics (which the bill establishes) who would have Agency clearances but no public disclosure of the statements?

b. What would be the status of CIA detailees to other Government organizations, including the Congress? For example, Schaefer indicated that persons detailed to Congress are subject to congressional disclosure rules.

c. What is the Administration's position? We told him that OMB had cleared our taking the initiative. Childers said, however, that Lipshutz had sent the Committee a letter outlining the Administration's problems, and that this was not included.

d. What is the Agency's position on disclosure by Executive Schedule employees? The staffers indicated that the Committee would not be receptive to suggestions of an exemption for them.



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